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ECONOMICS & POLICY

Big Data Knows What You're Doing Right Now

By Martha C. White | July 31, 2012

“Big Brother is watching you.” That’s a line from the dystopian classic *1984*, but it’s also far closer to reality than most Americans realize. No, there’s not some totalitarian government spy in a trench coat following you, but you are being watched — not by a dictator, but by a handful of companies that make big bucks aggregating tiny scraps of information about you and putting the puzzle pieces together to build your digital profile. Eight lawmakers are demanding that these companies crack open their vaults so [Congress](#) can see what they’re compiling about us and what they’re doing with it.



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Right now, this multibillion-dollar industry is largely unregulated. A [New York Times](#) article earlier this year about a data-mining company prompted the two co-chairs of the Bipartisan Congressional Privacy Caucus and six other Congress members [to send a letter to nine companies](#) that collect personal data. They’ve asked these corporations where they get their data, how they slice and dice it, and to whom they sell and share it.

“By combining data from numerous offline and online sources, data brokers have developed hidden dossiers on almost every U.S. consumer,” the letter says. “This large scale aggregation of the personal information of hundreds of millions of American citizens raises a number of serious privacy concerns.”

Information is currency, but we tend to forget that. The way we blindly click “okay” on privacy policies, geolocate where we want to eat and play games with our friends on mobile apps to kill time, we’re basically putting it all on the table. The explosion of social media and the use of [Facebook](#) as a log-in for everything from news sites to online [retailers](#) gives data companies a much deeper peek into your personal life and tells them much more about your likes, preferences and habits.

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wouldn't think twice about each individual data point, but you can connect the dots," he says. The result is profiling — by ethnicity, by age, by education and income level. The company profiled in the Times' article has literally dozens of profiles of types of people.

And after we give our information away, we have no idea what companies do with it. Unlike credit reporting agencies, which are required to let you see the composite picture of you they've created with the data they mine and organize, data companies keep their vast virtual warehouses under lock and key.

Most of the time, this information is used to sell you stuff. This has the potential to be sneaky — if it knows enough about you, a company can figure out what type of ad is most likely to sway you — but a lot of it isn't inherently bad and might be helpful. If I'm searching for a place to stay in New York City, for instance, and an ad for a hotel pops up on a news site I'm visiting two days later with a discount offer, this could be useful.

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But that's not what concerns lawmakers and privacy experts. They worry that people's virtual selves could get them written off as undesirable, whether the depiction is correct or not. There's also the question of accuracy in general. Some consumer groups estimate that up to 25% of credit reports have errors, and those errors can lead to difficulty getting a loan or other type of credit. Without any way to look at our consumer profiles, people have no idea what marketers and other interested parties see and how they're judging us.

"Outside the United States, most foreign countries grant a legal right for people to access personal info held by third parties," says Reidenberg. He says this Congressional inquiry is a good start toward establishing some rules about data transparency and disclosure in this country. The letter sent by lawmakers gives the nine companies three weeks to respond. Depending on how forthcoming they are — and they might not be; this committee doesn't have subpoena power — Americans could get a potentially eye-opening look at how corporate America views each of us.

[VIDEO: They Know What You Do: Data Mining on the Internet](#)